

Fiscal Note

Fiscal Services Division



SF 175 – Categorical Supplemental State Aid FY 2017 (LSB1519SV.2)
Analyst: John Parker (Phone: 515-725-2249) (john.parker@legis.iowa.gov)
Fiscal Note Version – As amended by the **Conference Committee Report**

Description

Senate File 175, as amended by the Conference Committee Report, requires a 2.25% state percent of growth rate to be applied to each of the state categorical cost per pupil amounts for FY 2017.

Background

The state categorical supplements are funded entirely through state aid and generate funds for each school district and area education agency (AEA) through the school aid formula on a per pupil basis. The FY 2016 state cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 2.25% state percent of growth for FY 2017. Additionally, FY 2017 will be the second year (funding approximately two-thirds of the students statewide) that the teacher leadership supplement (TLS) for the Teacher Leadership and Compensation System will be included in the school aid formula. The following table provides the per pupil growth amounts and state cost per pupil amounts for FY 2017 based on **SF 175**, as amended by the Conference Committee Report.

State Categorical Supplements	FY 2016 State Cost Per Pupil	FY 2017 State Percent of Growth	Supplemental State Aid	FY 2017 State Cost Per Pupil
Teacher Salary - Districts	\$ 555.47	2.25%	\$ 12.50	\$ 567.97
Professional Development - Districts	62.91	2.25%	1.42	64.33
Early Intervention	68.53	2.25%	1.54	70.07
Teacher Leadership	312.68	2.25%	7.04	319.72
Teacher Salary - AEAs	29.07	2.25%	0.65	29.72
Professional Development - AEAs	3.39	2.25%	0.08	3.47

Additionally, there is a budget guarantee provision for each of the state categorical supplements that provides each district and AEA with a minimum of the previous fiscal year's level of funding (net of the previous year's budget guarantee amount). This provision for the state categorical supplements is funded entirely through state aid.

Assumptions

Estimates are based on October 2015 certified enrollments and supplementary weightings for FY 2016 approved by the School Budget Review Committee (SBRC) on December 15, 2015.

Fiscal Impact

The estimated total fiscal impact of **SF 175**, as amended by the Conference Committee Report, will be a General Fund expenditure of \$460.7 million to fund the FY 2017 state categorical supplement amounts. This is an increase of \$62.6 million (15.7%) compared to FY 2016. This estimate includes \$103.4 million for the teacher leadership supplement (TLS) for FY 2017.

The following table provides detail regarding the funding levels for each of the state categorical supplements.

Estimated Funding Levels				
Teacher Salary Supplement	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016
Unadjusted Amount - District	\$ 274,407,797	\$ 15,435,897	\$ 289,843,694	
Budget Guarantee Amount - District	501,516	33,996	535,512	
Total Amount - District	\$ 274,909,313	\$ 15,469,893	\$ 290,379,206	\$ 7,553,250
Professional Development	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016
Unadjusted Amount - District	\$ 31,104,726	\$ 1,808,071	\$ 32,912,797	
Budget Guarantee Amount - District	50,862	3,408	54,270	
Total Amount - District	\$ 31,155,588	\$ 1,811,479	\$ 32,967,067	\$ 863,755
Early Intervention Supplement	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016
Unadjusted Amount	\$ 33,852,664	NA	\$ 33,852,664	
Budget Guarantee Amount	53,936	NA	53,936	
Total Amount	\$ 33,906,600	NA	\$ 33,906,600	\$ 886,567
Teacher Leadership Supplement	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016
Unadjusted Amount	\$ 103,325,384	NA	\$ 103,325,384	
Budget Guarantee Amount	97,431	NA	97,431	
Total Amount	\$ 103,422,815	NA	\$ 103,422,815	\$ 53,264,658
All State Categorical Supplements	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016
Total Unadjusted Amount	\$ 442,690,571	\$ 17,243,968	\$ 459,934,539	
Total Budget Guarantee Amount	703,745	37,404	741,149	
Total State Categorical Supplement	\$ 443,394,316	\$ 17,281,372	\$ 460,675,688	\$ 62,568,230
Note: Contact the LSA for more information				

Sources

Iowa Department of Education, Certified Enrollment file and Enrollment Projections file
Iowa Department of Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the LSA upon request.